



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

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9:30 a.m.  
February 23, 2006

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206  
711 Capitol Way South  
Olympia, Washington

COMMISSION MEMBERS PRESENT

Earl Tilly, Chair  
Jane Noland, Vice Chair  
Bill Brumsickle, Secretary  
Michael Connelly, Member --  
(Departed at 2:25 p.m.)  
Ken Schellberg, Member

STAFF PRESENT

Vicki Rippie, Executive Director  
Doug Ellis, Assistant Director  
Michael Smith, Chief Technology Officer  
Nancy Krier, Senior Counsel  
Linda Dalton, Sr. Asst. Attorney General  
Chip Beatty, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Earl Tilly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Brumsickle summarized his experience at the December COGEL Conference and thanked the Commission for the opportunity to attend.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Minutes

Commissioner Noland noted that she left the January 23, 2006 meeting at 3:30 p.m. and believes the minutes should reflect her departure time.

**Motion 06-079**

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

**The Commission adopts the minutes of  
January 23, 2006, as corrected.**

The motion passed unanimously.

Rule Making

Public Hearing

Doug Ellis identified the proposed rule amendments scheduled for public hearing:

- Amend WAC 390-05-400 Changes in dollar amounts
- Amend WAC 390-37-136 Production of documents and use at hearing (adjudicative proceeding)
- Amend WAC 390-12-010 Public Disclosure Commission – Regular meetings

If approved, the rules become effective 31 days after filing the appropriate form with the Code Reviser.

No public testimony was offered.

**Motion 06-080**

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

**The Commission adopts as presented amendments to WAC 390-05-400 Changes in dollar amounts, WAC 390-37-136 Production of documents and use at hearing (adjudicative proceeding), and WAC 390-12-010 Public Disclosure Commission – Regular meetings.**

The motion passed unanimously.

Discussion of WAC 390-37-090 Informal settlement – Cases resolved by stipulation prior to an enforcement hearing (adjudicative proceeding), or by other alternative dispute mechanisms.

Doug Ellis commented that the current rule specifies that if staff and the respondent agree to a stipulation, that stipulation is to be provided to the Commission at the hearing.

Commissioner Noland said she would like to receive the stipulations earlier to allow more time to review them.

Commissioner Tilly remarked that there was nothing in the rule that compels the Commission to act on the stipulation immediately if more time is needed to deliberate.

The Commission agreed that stipulations to facts and violations should be provided at the hearing. Stipulations that include penalty should be provided to the PDC by 4:00 p.m. of the day preceding the hearing and emailed to the commissioners. WAC 390-37-090 will be scheduled for amendment.

#### Legislation

Vicki Rippie updated the Commission on pending legislation that may impact chapter 42.17 RCW.

#### Advisory Matters

Ms. Rippie reported to the Commission regarding the recent Attorney General's Opinion regarding RCW 42.17.130(3) and presented a draft response to the September 12, 2005 letter from Hal Schlomann, Executive Director, WA Association of Sewer and Water Districts. The Commission concurred with sending the letter as drafted.

Senior Counsel Nancy Krier presented a draft revision to Interpretation 04-03, Servicemembers' Civil Relief Act and PDC filings.

#### **Motion 06-080**

Moved by Commissioner Noland, seconded by Commissioner Connelly:

**The Commission approves the interpretation, as presented, regarding the Servicemembers' Civil Relief Act and PDC filings.**

The motion passed unanimously.

#### Performance Reports

Government Management,  
Accountability and Performance  
(GMAP)

Suemary Trobaugh presented performance data from the Administration section regarding the functions of the front office, call volume, response time to requests and how the data is used to allocate staff resources.

FY 2005 Annual Report

Vicki Rippie discussed the FY 2005 Annual Report.

Commissioner Connelly inquired about the number of open compliance cases at the end of FY 2005. Ms. Rippie said that information would be provided in the near future.

Commissioner Noland asked staff to provide the Commission with the cost of sending warning letters and hearing notices by certified mail in order that this option can be discussed at an upcoming meeting.

2004 Election Financing Fact Book Ms. Rippie outlined the highlights of the Fact Book and responded to questions from the Commission.

### Enforcement

#### Report

##### *Dwight Pelz, Case #06-303*

Doug Ellis reported that a 45-day citizen action letter was filed with the Office of the Attorney General by Richard Pope alleging that Dwight Pelz violated 1) RCW 42.17.080 and RCW 42.17.090 by failing to timely report contributions and expenditures for his 2005 King County Council campaign, and 2) RCW 42.17.095 by failing to report the disposition of surplus funds from his 2005 King County Council campaign. Specifically, Mr. Pope alleged that:

- In 2005, Dwight Pelz, while running for King County Council, failed to timely file eight C-4 reports disclosing contribution expenditure activities;
- Failed to report the disposition of surplus funds;
- Failed to file both 7-day and 21-day pre-primary and pre-general C-4 reports; and
- Failed to include information about the open records inspection period on the Candidate Registration form.

Mr. Ellis summarized staff findings. On April 3, 2002, candidate Dwight Pelz declared his candidacy for re-election to the King County Council for the 2005 election, and on March 8, 2004, Mr. Pelz declared his candidacy for election to the Seattle City Council in 2005. By declaring his candidacy for the Seattle City Council, Mr. Pelz effectively abandoned his candidacy

for the King County Council. Therefore, staff urges the Commission to recommend to the Attorney General's Office that no further action is warranted.

**Motion 06-081**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**In PDC Case #06-303, the Commission recommends the Office of the Attorney General take no further action on the 45-day citizen action letter alleging Dwight Pelz violated RCW 42.17.080, RCW 42.17.090 and RCW 42.17.095.**

The motion passed unanimously.

Processing of Citizen Action  
Complaints

Vicki Rippie summarized the current system for processing citizen action complaints and offered an alternative that recognizes the parallel importance of complaints filed directly with the Commission.

Commissioner Noland requested that staff provide an analysis of 45-day citizen action complaints covering the last three years showing whether they were related to past or current violations and the outcome of each.

The Commission agreed to proceed with the modified system of processing the citizen action letters.

Executive Session

The Commission went into executive session at 11:53 a.m. to discuss pending litigation with legal counsel.

Public Session

The Commission returned to public session at 11:58 a.m. and recessed for lunch until 1:00 p.m.

Online Reporting of Campaign  
Activity (ORCA) Demonstration

Chief Technology Officer Michael Smith demonstrated for the Commission, staff and visitors the new ORCA program. He also introduced the staff members responsible for the program's design and implementation. Chair Earl Tilly gave a commemorative plaque to each staff member involved with the project.

Reporting Modifications

New

*Lynne Dodson, 2006 Candidate for  
State Representative in the 43<sup>rd</sup>  
District*

Kurt Young reported that Ms. Dodson requests an exemption from reporting all financial information relating to her spouse since she has been legally separated from him for three years.

**Motion 06-082**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission grants Lynne Dodson a partial reporting modification.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Dory N. On, Washington State  
Senate Professional Staff*

Mr. Young reported that Ms. On requests an exemption from reporting all financial information relating to her spouse since she has been separated from him for six months.

The Commission determined Ms. On needs to report information regarding her husband that is known to her.

**Motion 06-083**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission grants Dory N. On a partial reporting modification.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Renewal (No Change)

The Commission considered the renewals with no change reporting modifications requests en masse.

**Motion 06-084**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission grants Stanley Barer, Joseph Delay, Deborah Ehrlichman, David Wilson, the Washington State Democratic Central Committee and the Washington State Republican Party reporting modifications as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

Rule Making

Electioneering Communications

Vicki Rippie summarized continuing staff efforts to implement ESSB 5034, Electioneering Communications.

The Commission agreed to proceed as indicated below.

Group 2 – Proceed as drafted:

Item H. Draft Rule Defining “Source of Funds”

Item J. Draft Rule Regarding Sponsors, How to Calculate Reporting Threshold, and When Reporting is Required

Group 3 – Proceed as drafted:

Item O. WAC 390-18-020 Political Advertising – Party Identification

Item Q. WAC 390-18-030 Political Advertising – Exemptions from Identification

Item R. WAC 390-18-040 Use of Terms “Reelect,” “Retain” and “Return”

Item S. WAC 390-18-050 Commercial Advertisers – Public Inspection of Records.

- Item T. Draft Rule Regarding a Medium That Does Not Include a Visual Image
- Item U. WAC 390-17-060 – Reference to Washington State Republican Party v. PDC; Exempt Activities
- Item V. Draft Rule implementing Amendments to RCW 42.17.660 – Attribution of Contributions by Controlled Entities
- Item W. WAC 390-16-207 In-kind Contributions – Explanation and Reporting (Citation References)

Group 3 – Proceed with changes:

- Item N. WAC 390-18-010 Political Advertising – Sponsor Identification
- Item P. WAC 390-18-025 Political Advertising – Identification of Top Five

Jim Oswald, representing the Washington State Labor Council, questioned whether telephone calls are encompassed by the statutory requirements regarding sponsor identification on political advertising.

Adjournment

Chair Tilly adjourned the meeting at 3:38 p.m. The next meeting is scheduled for Wednesday, March 22, 2006.

Approved by the Commission 3/23/06